

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation into  
Statements by SBC Communications and  
SBC Pacific Bell Regarding Potential  
Reductions to Service Quality.

FILED  
PUBLIC UTILITIES COMMISSION  
NOVEMBER 7, 2002  
SAN FRANCISCO OFFICE  
INVESTIGATION 02-11-008

**ORDER INSTITUTING INVESTIGATION****I. Summary**

This proceeding is opened to investigate the impacts in California of the recent announcement by SBC Communications, Inc. (SBC), parent of SBC Pacific Bell (Pacific), that it will be laying off 11,000 employees nationwide and cutting capital expenditures considerably. SBC's press release states that 9,000 of the job cuts will take place in the final quarter of 2002, with the remainder to occur in early 2003. According to press reports, approximately 3,000 jobs will be eliminated in California. Statements by SBC representatives to this Commission, other regulatory agencies, and the media indicate that the layoffs and reduced capital spending place in jeopardy the quality of service received by the customers of Pacific. This proceeding will determine whether SBC's announced cutbacks will have any adverse effects on service quality or on Pacific's other obligations as a regulated telecommunications carrier. Based on our findings, we will take the necessary steps to ensure that service quality is not degraded and that Pacific is able to meet its regulatory obligations.

## II. Background

On September 26, 2002, SBC announced that it would be eliminating 11,000 jobs nationwide and would be reducing capital spending by an unspecified amount. The SBC press release refers to layoffs of “highly-trained workers.” News stories the following day reported that SBC officials announced that 3,000 of the layoffs would be in California.

Officials of SBC and Pacific have been vocal in making the point that the cutbacks could adversely affect customer service. Pacific’s President, External Affairs, Lora Watts, is quoted in one newspaper as stating, “We will try to maintain our customer service levels, but we face some difficult decisions that could someday have an impact on our service.”<sup>1</sup> Another newspaper story included a nearly identical quote from Ms. Watts.<sup>2</sup> A third newspaper reported that “[c]ompany executives conceded that the steep cuts could take their toll on customer service, repairs and other areas that affect customers.”<sup>3</sup>

These statements to the media are consistent with statements that SBC and Pacific officials had been making to regulators in California and elsewhere, as part of an effort to convince regulators to change prices and policies associated with unbundled network elements (UNEs).<sup>4</sup> In a letter to all five CPUC commissioners dated September 9, 2002, Ms. Watts asserted that “these [UNE]

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<sup>1</sup> *Los Angeles Times*, Sept. 27, 2002.

<sup>2</sup> *Contra Costa Times*, Sept. 27, 2002.

<sup>3</sup> *San Francisco Chronicle*, Sept. 27, 2002.

<sup>4</sup> This proceeding will not address in any way the CPUC’s policies or decisions with respect to UNE pricing. Those issues are being addressed in the UNE re-examination proceeding, Application (A.) 01-02-024 *et al.*

pricing issues will jeopardize our ability to provide world-class customer service and service reliability.” A briefing package that SBC officers, including its Chairman, Chief Financial Officer, and President, apparently presented to FCC officials on or before the September 26, 2002 announcement, claims that the impacts of the UNE policies challenged by SBC include the following: “Reduced Service Quality” and “Reduced Ability to Provide Service to all Customers”.<sup>5</sup>

### **III. Discussion**

SBC’s and Pacific’s own statements signal that the announced layoffs and capital spending cuts may have the effect, in either the short- or long-term, of eliminating resources that may be necessary in order to maintain the current quality of service provided to Pacific’s customers. Moreover, if Pacific anticipates that the cutbacks could lead to reduced service quality to customers, we are also concerned that the job cuts could also adversely affect Pacific’s ability to meet its other regulatory obligations, such as providing timely responses to requests for information that the Commission needs to fulfill its regulatory responsibilities, including audits, service quality monitoring, and the prevention of anti-competitive behavior.

When a utility itself foresees and announces potential cutbacks in service quality, the Commission has a duty to investigate whether and how service will

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<sup>5</sup> “UNE-P: Impacts and Implications”, Prepared for the Federal Communications Commission, (undated), p. 24. SBC is also the parent of Pacific’s affiliate SBC Advanced Solutions, Inc. (ASI), which provides DSL service in California. The briefing package raises the question of whether ASI’s ability to serve its customers in California will also be affected by the cutbacks.

indeed be affected. Public Utilities Code Section 451<sup>6</sup> requires that the Commission ensure that:

public utilities furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public.

In addition, the legislature has clearly stated that the policy of this state is to ensure the provision of high-quality telecommunications services. In Section 709(a), the legislature states that the policies for telecommunications in California include “assuring the continued affordability and widespread availability of *high-quality telecommunications service* to all Californians.” (Emphasis added.) Likewise, Section 871.5 identifies “the offering of *high quality basic telephone service* at affordable rates to the greatest number of citizens” as “a longstanding goal of the state.” (Emphasis added.)

Clearly, the legislature has assigned the Commission the responsibility to promote and preserve high quality telecommunications service in California. Pacific is California’s largest incumbent carrier, serving over two-thirds of all households and businesses in the state. When Pacific itself announces actions that may jeopardize service quality, the Commission has a responsibility to the state’s residents and businesses to investigate whether and how service quality will be affected.<sup>7</sup>

SBC’s and Pacific’s public statements suggest the possibility that SBC and Pacific know that the announced cutbacks may jeopardize service quality in

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<sup>6</sup> All statutory references are to the Public Utilities Code unless otherwise stated.

<sup>7</sup> Similarly, ASI serves over two-thirds of DSL customers in California.

California. This investigation will, among other things, afford an opportunity to determine whether this is indeed the case. We believe a formal investigation sends the appropriate signal that the Commission does not condone voluntary actions by a utility that the utility knows will undermine its ability to provide high quality service or otherwise meet its regulatory obligations. We note that in a 1976 decision involving Pacific's predecessor, the Commission found that the utility violated Section 451 when it purposely withheld capital spending necessary to meet service demands in order to "safeguard earnings."<sup>8</sup>

The purpose of this proceeding is, first, to determine the impact of the announced cutbacks on the ability of Pacific and ASI to serve their retail and wholesale customers and otherwise meet their regulatory obligations. In particular, we intend to gather information designed to allow us to:

1) understand the basis for the statements by SBC and Pacific discussed above to the effect that the cutbacks may or will harm service quality; 2) assess whether the cutbacks are likely to lead to diminished service quality in California in either the short- or long-term; and 3) determine whether the cutbacks are likely to diminish the ability of Pacific and its affiliates to meet their obligations to furnish timely information to the Commission, such as in the context of audits, general information requests, service quality data, and other monitoring reports. As explained below, we will obtain this information initially by requiring Pacific and ASI to respond to requests for information and then by soliciting comments from any parties who choose to participate in this proceeding.

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<sup>8</sup> *Re Pacific Telephone & Telegraph Co.*, 80 CPUC 599, 613-615 (1976). In that decision, the Commission levied a penalty by reducing Pacific's allowable rate of return.

Second, after having obtained the necessary information and received comments from all parties, the Commission will have a formal record to determine what, if any, further steps are appropriate.

#### **IV. Information Required from Pacific**

Attachment A contains an initial list of questions posed to Pacific and ASI.<sup>9</sup> In light of SBC's announcement that most of the job cuts will take place in the fourth quarter of 2002, it is necessary to obtain this information quickly. Accordingly, we direct Pacific and ASI to respond to these questions within seven days of the issuance of this order instituting investigation (OII). We note that most of the questions are identical or nearly identical to certain data requests that were posed to Pacific and its affiliates in an October 4, 2002 letter from the Director of the CPUC's Telecommunications Division. As a result, Pacific and its affiliates have already had several weeks to prepare answers to these questions. Furnishing the responses to the questions in this proceeding will build a public record upon which the Commission may base any actions it believes are warranted.

Pacific's and ASI's responses shall be verified by officers of those corporations. If any information necessary to provide a complete answer to any question is in the possession of an affiliate of Pacific or ASI, including their parent, SBC, then Pacific and ASI shall obtain from the affiliate the necessary

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<sup>9</sup> By ruling of the assigned commissioner or assigned administrative law judge, Pacific or its affiliates may be directed to provide responses to additional questions for the record of this proceeding.

information and provide it to the Commission, in accordance with Section 314(b).<sup>10</sup>

Pacific and ASI shall serve a notice of availability<sup>11</sup> of the answers to the questions on the service list for the OII. Any party on the service list may then request to be provided a copy of its answers.

If Pacific or ASI believe that any of the materials they provide in response to the questions in Attachment A must be kept confidential in order to avoid competitive harm, Pacific or ASI may file a motion seeking confidential treatment of such materials. We note that, as this is a matter of significant public interest, Pacific and ASI should limit their requests for proprietary treatment to only those documents, or portions thereof, whose release would cause significant competitive harm. Pending a ruling on any motion for confidential treatment, Pacific or ASI may redact from the materials they provide to parties (other than the Commission's Office of Ratepayer Advocates) and the public record any documents or portions thereof for which they seek confidentiality. If any party seeks access to material for which confidentiality is requested, Pacific and ASI shall promptly afford the party an opportunity to sign a nondisclosure agreement. Upon receiving a signed nondisclosure agreement, Pacific and ASI shall promptly provide the party a complete, unredacted copy of their responses to the Attachment A questions.

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<sup>10</sup> The Commission also has the authority to seek the information directly from the affiliate in possession of the information. At this time, however, we choose to impose the obligation to obtain the required information on Pacific.

<sup>11</sup> As described in Rule 2.3 of the Commission's Rules of Practice and Procedure.

## **V. Respondents**

Pacific and ASI shall be respondents to this OII.

## **VI. Preliminary Scoping Memo**

This proceeding shall be conducted in accordance with Article 2.5 of the Commission's Rules of Practice and Procedure (Rules).<sup>12</sup> As required by Rule 6(c)(1), this order includes a preliminary scoping memo<sup>13</sup> as set forth below.

The scope of this investigation is: (1) to determine the impact of the announced cutbacks on the ability of Pacific and ASI to serve their retail and wholesale customers and otherwise meet their regulatory obligations and (2) based on such determinations, to take any steps the Commission may find to be necessary. The final scope of the issues will be determined in one or more scoping rulings issued by the assigned Commissioner pursuant to Rules 6(c)(1) and 6.3.

Pursuant to Rule 6(c)(1), we determine that the category of this proceeding is "ratesetting" as that term is defined in Rule 5(c),<sup>14</sup> and that there may be a need for evidentiary hearings.

The preliminary schedule for this proceeding is as follows:

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<sup>12</sup> The Rules of Practice and Procedure are posted on the Commission's web site at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

<sup>13</sup> Rule 5(m) defines "scoping memo" as an order or ruling describing the issues to be considered in a proceeding and the timetable for resolving the proceeding.

<sup>14</sup> Rule 5(c) defines "ratesetting" proceedings as proceedings in which the Commission sets or investigates rates or establishes a mechanism that in turn sets the rates for a specifically named utility or utilities.



<b>Event</b>	<b>Time after Issuance of OII</b>
Pacific and ASI provide verified responses to questions in Attachment A	7 days
Parties file with CPUC Docket Office notices of participation (described below)	7 days
Parties file comments on OII, preliminary scoping memo, and on Pacific and ASI responses	17 days
Parties file reply comments	24 days
Final Scoping Memo issued	35 days
Prehearing Conference	To be determined (TBD)
Evidentiary Hearings	TBD
Proposed Decision	TBD

The full schedule for this proceeding cannot be set forth at this time, as the appropriate procedural steps will depend on the responses to Attachment A and the comments of the parties. If any party believes that interim or emergency relief is warranted, the party may file a motion requesting such relief at such time as the party deems appropriate. If supported by the record, the Commission may order such relief on its own motion.

Parties may file and serve opening comments on this OII no later than 17 days from the issuance of today's order, and reply comments no later than 24 days from the effective date of today's order. Parties should address whether the Commission should take any steps to protect retail or wholesale service quality and, if so, what those steps should be. In addition, parties are invited to address whether the Commission should take steps to ensure Pacific and ASI meet their other regulatory obligations and, if so, what those steps should be. As required by Rule 6(c)(1), parties shall also include in their opening comments any

objections they may have regarding (1) the determination that evidentiary hearings are required, and (2) the preliminary scope and timetable for this proceeding. In addition, as noted above, parties' opening comments may also address the responses to Attachment A filed by Pacific and ASI.

Following the receipt of comments, the assigned Commissioner will issue a ruling pursuant to Rules 6(c)(1) and 6.3. The ruling will address the scope of the proceeding, the need for evidentiary hearings, and the schedule for resolution of issues. The ruling will also designate a presiding officer as required by Rule 6(c)(1).

## **VII. Service and Availability of This Order**

This order shall be served on the service lists for Rulemaking (R.) 01-09-001/Investigation (I.) 01-09-002 (2001 New Regulatory Framework review of Pacific and Verizon California, Inc.), R.98-06-029 (service quality rulemaking for all telecommunications carriers), and Case 02-01-007/I.02-01-024 (complaint/investigation regarding unauthorized charges by ASI). These service lists include the respondent utilities Pacific and ASI.

This order will be available to the public on the Commission's web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)). A copy of this order may also be obtained from the Commission's Central Files Office in San Francisco [(415) 703-2045]; and from the Commission's Public Advisor Offices in Los Angeles [(213) 897-3544]; and San Francisco [(415) 703-2074].

## **VIII. Participation and Service List**

To facilitate broad public participation in this proceeding, we will allow parties to formally participate by mailing a notice of participation to the Commission's Process Office. The address of the Commission's Process Office is

Room 2000, 505 Van Ness Avenue, San Francisco, CA 94102. The notice of participation must include all of the following information:

- The proceeding number shown on the first page of this order.
- The name, address, and telephone number of each person to be placed on the service list. Parties are encouraged to provide an e-mail address. Any party that provides an e-mail address will be required to (1) serve their pleadings by e-mail on other parties that provide an e-mail address, and (2) receive the pleadings of other parties by e-mail.
- The person, entity, or organization for which the notice is being filed.
- The category of participation. There are three categories of participation: Appearance, State Service, and Information Only. Those in the Appearance category are parties with all attendant rights and obligations. Appearances receive exhibits, testimony, and all formally filed documents, including pleadings, motions, rulings, proposed decisions, and Commission decisions. Appearances must serve their pleadings on all other Appearances and those in the State Service category. Persons should not indicate that they are an Appearance unless they intend to actively participate in this proceeding by filing comments or testimony. Any Appearance that fails to actively participate may be moved to the Information Only portion of the service list. The State Service category consists of persons employed by the State of California. Those in the State Service category receive the same documents as appearances, but they are not parties to the proceeding and cannot file pleadings. Those in the Information Only category receive all Commission-generated documents at no charge, such as notices of hearings, rulings, proposed decisions, and Commission decisions. Appearances are not required to serve their pleadings on those in the Information Only category.

Parties may also seek to formally participate in this proceeding by filing a notice of party/non-party status at a PHC or evidentiary hearing. Any person

interested in participating in this rulemaking but unfamiliar with the Commission's procedures should contact the Commission's Public Advisor Offices in Los Angeles [(213) 897-3544] or San Francisco [(415) 703-2074].

Parties should note that it is not necessary to formally participate in this proceeding in order to monitor major developments. Significant documents in this proceeding (e.g., rulings and decisions) will be posted on the Commission's web site. There is no need to mail the previously described notice of participation to the Process Office to monitor in this fashion.

The Process Office will compile an initial service list based on the notices that it receives within seven days of the issuance of this OIL.<sup>15</sup> The service list for this proceeding may be obtained from the Commission's web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) or the Process Office [(415) 703-2021].

The assigned Commissioner and the assigned ALJ shall have ongoing oversight regarding the procedures governing parties' participation and the service list. They may revise these procedures and the service list, as necessary.

## **IX. Electronic Service**

Any Appearance that provides an e-mail address shall serve and receive all pleadings by e-mail in Microsoft Word format. There is no need to serve hard copies of pleadings on any party listed in the Appearance and State Service categories of the service list if that party has provided an e-mail address.

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<sup>15</sup> The Process Office periodically updates service lists to correct errors and to make changes at the request of the parties on the list or the assigned ALJ.

However, if a party in the Appearance or State Service categories has not provided an e-mail address, then that party must be served with a hard copy.<sup>16</sup>

#### **X. Ex Parte Communications**

This proceeding is subject to Rule 7, which specifies standards for engaging in ex parte communications and the reporting of such communications. Pursuant to Rule 7(a)(3), ex parte communications will be allowed in this proceeding consistent with the restrictions and reporting requirements set forth in Rules 7(c) and 7.1. The restrictions and reporting requirements in Rule 7(c) and 7.1 shall remain in effect unless and until the ratesetting categorization for this proceeding is modified by the Commission pursuant to Rule 6.4.

### **O R D E R**

#### **IT IS ORDERED** that:

1. An investigation is instituted on the Commission's own motion for the purpose of (a) assessing the impact of the announced cutbacks on the ability of SBC Pacific Bell (Pacific) and SBC Advanced Solutions, Inc. (ASI) to serve their retail and wholesale customers and otherwise meet their regulatory obligations and (b) based on such assessments, taking any steps the Commission may find to be necessary.
2. Pacific and ASI are made respondents to this proceeding.
3. Within seven days of the issuance of this order, Pacific and ASI shall file responses to the questions listed in Attachment A of this order. Pacific and ASI

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<sup>16</sup> This order does not affect the Commission's Rules regarding the filing of documents at the Commission. All documents filed at the Commission must be tendered in paper form as described in Rule 2 et seq.

shall serve the responses on the service list in accordance with the procedures set forth in the text of this order.

4. The general scope of this proceeding is described in the text of this order. The exact scope of this proceeding will be determined in one or more scoping rulings issued by the Assigned Commissioner.

5. The preliminary schedule for conducting this proceeding, as can be determined at this time, is set forth in the text of this order. The Assigned Commissioner and the assigned Administrative Law Judge (ALJ) shall augment the schedule as necessary and may revise the schedule as they determine to be appropriate.

6. The category of this investigation is determined to be “ratesetting” as this term is defined in Rule 5(c) of the Commission’s Rules of Practice and Procedure (Rule).

7. It is determined that there is a need for evidentiary hearings. Based on the opening and reply comments of the parties, the Assigned Commissioner may determine that evidentiary hearings are not necessary. The time, place, and scope for evidentiary hearings, if any, shall be set in one or more rulings issued by the Assigned Commissioner or the assigned ALJ.

8. Parties that seek to participate in this proceeding should mail a notice of participation to the Commission’s Process Office. The address of the Process Office is Room 2000, 505 Van Ness Avenue, San Francisco, CA 94102. The notice must include all the information identified in the body of this order.

9. The Process Office shall create an initial service list based on notices of participation received by the Process Office on or before seven days after the issuance of this order. Parties may obtain the service list from the Commission’s web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) or by contacting the Process Office [(415) 703-2021].

10. The Assigned Commissioner and the assigned ALJ shall have ongoing oversight regarding the procedures governing participation in this proceeding. They may revise these procedures, as necessary. The Assigned Commissioner and the assigned ALJ shall also have ongoing oversight of the service list. They may revise the service list or the procedures governing the list, as necessary.

11. Any party listed in the “Appearance” category on the service list that provides an e-mail address shall serve and receive all pleadings by e-mail in Microsoft Word format. There is no need to serve hard copies of pleadings on any party listed in the Appearance and State Service categories of the service list if that party has provided an e-mail address. However, if a party in the Appearance or State Service categories has not provided an e-mail address, then that party must be served with a hard copy.

12. All documents filed at the Commission must be tendered in paper form as described in Rule 2 et seq.

13. Opening comments shall be filed and served no later than 17 days from the issuance of today’s order. Reply comments shall be filed and served no later than 24 days from the effective date of today’s order. In addition, as required by Rule 6(c)(1), parties shall include in their opening comments any objections they may have regarding (i) the determination that evidentiary hearings are required, and (ii) the preliminary scope and schedule for this proceeding.

14. This order shall be served on the service lists for Rulemaking (R.) 01-09-001/Investigation (I.) 01-09-002, R.98-06-029, and Case 02-01-007/I.02-01-024.

This order is effective today.

Dated November 7, 2002, at San Francisco, California.

LORETTA M. LYNCH

President

HENRY M. DUQUE

CARL W. WOOD

GEOFFREY F. BROWN

MICHAEL R. PEEVEY

Commissioners



## **ATTACHMENT A**

### **Questions Directed to Respondents**

*NOTE: If any information necessary to provide a complete answer to any question is in the possession of an affiliate of Pacific Bell Telephone Co. (Pacific), including Pacific's parent, SBC Communications, Inc. (SBC), then Pacific shall obtain from the affiliate the necessary information and provide it to the Commission, in accordance with Public Utilities Code Section 314(b). Pacific shall promptly furnish a copy of these data requests to any affiliates that may have relevant information or documents.*

Please provide the following information relating to the job and capital spending cuts announced by SBC on September 26, 2002 ("cutbacks"):

1. As a result of the cutbacks, do Pacific or any of its affiliates anticipate any short-term or long-term adverse impacts whatsoever on retail or wholesale customer service in California provided by Pacific or SBC Advanced Solutions, Inc. (ASI)? If so, provide full details regarding the anticipated adverse effects including, but not limited to, the nature of the adverse effects, the types of services to be affected, the types of customers to be affected, the regions to be affected, and the magnitude of the adverse effects.
2. Please explain any and all expected or potential adverse effects on retail or wholesale customer service in California that SBC or Pacific representatives had in mind in making the statements cited in Section II (Background) of this Order Instituting Investigation. Provide any documents on which the statements regarding impacts on customer service were based.
3. As a result of the cutbacks, do Pacific or ASI anticipate any short-term or long-term adverse impacts on the ability or amount of time required to respond to information requests, to provide required monitoring reports, or to maintain records required by the CPUC, including but limited to:
  - responses to requests for information in audits,
  - timely submission of monitoring reports required under the new regulatory framework (NRF),
  - maintenance of data required under General Order (GO) 133-B and the provision of reports as required by GO 133-B,
  - responses to CPUC information requests, and
  - responses to information requests by parties in CPUC proceedings.
4. Please specify:
  - a. The total number of jobs by job title that will be eliminated at Pacific, stated separately for management and non-management.

- b. The number of jobs by job title that will be eliminated through voluntary attrition (specify by “retirement” or “other”) and through involuntary separation (dismissal, firing, and/or layoff) by each department at Pacific.
  - c. The schedule of job reductions by job title stated separately for management and non-management for each department within Pacific.
- 5. Please specify separately for each affiliate of Pacific providing telecommunications services in California:
  - a. The total number of jobs by job title that will be eliminated at each affiliate, stated separately for management and non-management.
  - b. The number of jobs by job title that will be eliminated through voluntary attrition (specify by “retirement” or “other”) and through involuntary separation (dismissal, firing, and/or layoff) by each department at the affiliate.
  - c. The schedule of job reductions by job title and by each department within the affiliate.
- 6. Please quantify the impact of the cutbacks on installation intervals (i.e., the time it takes from the time a customer places an order for service to the time an installation of that order is completed) for Pacific and SBC Advanced Solutions, Inc. (ASI). Please state the current average installation interval and the estimated installation interval in a post-cutback environment, both short-term (6 months after the cutbacks) and longer-term (two years after the cutbacks).
- 7. Please quantify the impact of the cutbacks on repair intervals (i.e., the time it takes from the time a customer reports trouble by dialing 611 to the time that trouble is cleared) for Pacific and ASI. Please state the current average repair interval and the estimated average repair interval in a post-cutback environment, both short-term (6 months after the cutbacks) and longer-term (two years after the cutbacks). Please state the repair intervals for residential, small business, large business, separately.
- 8. Please quantify the impact of the cutbacks on scheduled outside plant maintenance for Pacific and ASI. Please state the current frequency of scheduled maintenance of outside plant by type of the plant and the estimated frequency of scheduled maintenance of outside plant by type in a post-cutback environment, both short-term (6 months after the cutbacks) and longer-term (two years after the cutbacks).
- 9. Please quantify the impact of the cutbacks on scheduled switching maintenance for Pacific and ASI. Please state the current frequency of scheduled maintenance by switch type and the estimated frequency of scheduled maintenance by switch type in a post-cutback environment, both short-term (6 months after the cutbacks) and the longer-term (two years after the cutbacks).

10. Please quantify the short term (6 months after the cutbacks) and the longer-term (two years after the cutbacks) impacts of the cutbacks on live person answering time for Pacific for the following:
  - a. Business Office Answering Time;
  - b. Trouble Report Answering Time;
  - c. Directory Assistance Answering Time;
  - d. Toll Operator Answering Time;
  - e. Billing Office Answering Time;
  - f. Busy rates (number and percent of calls encountering a “busy” signal) for Business Office, Trouble Report and Billing Office, stated separately; and
  - g. Abandoned call rates (number and percent of calls abandoned before answering by a live representative) for Business Office, Trouble Report and Billing Office, stated separately.
11. Please quantify the impact of the cutbacks on ASI’s live person answering time for the following:
  - a. Business Office Answering Time;
  - b. Trouble Report Answering Time;
  - c. Directory Assistance Answering Time;
  - d. Toll Operator Answering Time;
  - e. Billing Office Answering Time;
  - f. Busy rates (number and percent of calls encountering a “busy” signal) for Business Office, Trouble Report and Billing Office, stated separately; and
  - g. Abandoned call rates (number and percent of calls abandoned before answering by a live representative) for Business Office, Trouble Report and Billing Office, stated separately.
12. Please quantify the impact of the cutbacks on:
  - a. the overall quality of service provided by Pacific and ASI, and
  - b. meeting the requirements established by this Commission, including, but not limited to, General Order 133-B and those requirements established by Decision 01-12-021.
13. Please specify:
  - a. The number of jobs by job title that will be eliminated at SBC and/or each Pacific subsidiary or affiliate *operating outside of California performing any activity or function supporting the California operations of Pacific or ASI*. Please also specify the city and state in which each position to be eliminated is located.

- b. The schedule of planned employment reductions by each SBC Pacific Bell subsidiary, affiliate or parent company operating outside of California that are performing activities or functions supporting SBC Pacific Bell's California operations.
14. Please quantify the impact of the cutbacks at SBC and/or each Pacific subsidiary or affiliate *operating outside of California that are performing any activity or function supporting the California operations of Pacific or ASI* on the following, for Pacific and ASI:
- a. installation intervals;
  - b. repair intervals;
  - c. outside plant maintenance;
  - d. scheduled switching maintenance;
  - e. Business Office Answering Time;
  - f. Trouble Report Answering Time;
  - g. Directory Assistance Answering Time;
  - h. Toll Operator Answering Time; and
  - i. Billing Office Answering Time.
15. Please quantify the short term (6 months after the cutbacks) and the longer-term (two years after the cutbacks) impacts of the cutbacks on the amount of time required to respond to:
- a. requests for information in audits,
  - b. submit monitoring reports required under the NRF,
  - c. provide reports required under General Order (GO) 133-B and to provide any supporting data when requested by the CPUC,
  - d. respond to CPUC information requests, and
  - e. respond to information requests by parties in CPUC proceedings.

**(END OF ATTACHMENT A)**